

## Lintgram NNSA#1

As I told you in my opening remarks upon being appointed Acting Administrator, I place a lot of value on communication. I think it is easy for rumors to get started in large organizations and that communication is particularly important in time of change. Therefore I am instituting a device I have used before -- periodic, informal e-mails from me to the entire NNSA family. I have called these e-mails "Lintgrams" in the past and will continue to use that name now. It is meant to stress that these are personal communications from me (I write them myself) and that they are informal in nature.

No one is required to read these messages. There will never be formal policies in a Lintgram that aren't officially promulgated elsewhere. The title will always use the word Lintgram, so if you don't find these kinds of communications useful, simply delete them. I expect to use them to tell you what's on my mind, what I'm worried about, what I see us facing at NNSA, what I want to make sure you know about. As a practical matter I can't get into a one-on-one dialogue with 2000 people, so this is an opportunity to at least share some of my thinking. I will be sending them out somewhere between every 3 to 4 weeks, but my track record suggest that I'm not always precise in the timing.

**Re-engineering and Rumors.** I know that there are a number of rumors floating through the complex about re-engineering, downsizing, etc. Here's where we stand:

- There is a wide-spread view both inside the executive branch and on the Hill that NNSA is too large and too bureaucratic.
- As a result, we are engaged in a reengineering exercise to try to streamline the organization and consolidate functions where appropriate.
- That effort has already resulted in the decision to remove a layer of management by having Site Offices (formerly Area Offices) report directly to headquarters and eliminating OPS offices from the chain of command.
- The OPS offices will be transformed into new Service Centers providing support to the whole complex for those things which need not been done individually at each site. We don't know yet how many service centers there will be.
- Now we are looking at functions to decide where each function should be conducted. The object is to eliminate duplication where we can. Right now, we are doing this purely on a functional basis; we haven't gotten to the question of individual jobs or individual people.
- We are resisting any attempts to set a pre-determined outcome for this process. Still, everybody believes that re-engineering will result in a smaller NNSA.
- We have based our upcoming budget on the assumption of at least a 20% personnel reduction over the next five years. We don't, however, know where that reduction will be taken. The whole logic of re-engineering suggest that we won't simply apply

some mandatory uniform reduction. Instead we will figure out what we want as a complex to look like in a few years and then work towards that.

**What does this mean for individuals?** The honest answer is I don't know yet. Almost certainly some people will find that the function they are performing is still crucial but now is performed in another place. While we will try to work things out considering people's preferences, we may need some directed re-assignments. As a practical matter, since moves cost money, any such reassignments will take place over a few years. Other people may find that the function that they have been performing is one we have decided is redundant. We will try to deal with the consequences of eliminating positions by offering inducements to encourage higher than normal attrition. A number of you have already expressed interest in a potential buy-out in FY 2003.

A complicating feature involves money. In the long run, re-engineering will make NNSA more efficient, more effective, more dynamic and less expensive. It will let us free-up money for areas like training that we have been under-funding. Unfortunately, in the short term moving people and buying out people costs money. The cost are always in the current year the savings are frequently in future years. That means that will be hard for us to implement this and realize immediate savings. Yet the Congress is looking to see those savings in the near term. I don't know exactly how I'm going to square this particular circle yet.

The situation is still further complicated by the uncertain state of next year's budget. The House reduced Program Direction (which pays for all federal salaries) by a significant amount. The Senate accepted the President's budget. Obviously I hope that the Senate position will prevail when the House and Senate Appropriations Committees meet in conference. Unfortunately, I have no idea when that will be. This means that we will need to think about how we approach all this if we are forced to live with the lower House level.

By now you will have concluded that we have a plan (which is true) but we don't know whether funding will support that plan (which is also true). I wish that I could tell you that I am certain that we will get the funding to do all of this in an orderly manner. Unfortunately, I can't. If we are forced to live with the House mark then we may need to look at more drastic ways to cut funding. I simply don't know yet.

I was tempted to simply ignore this topic in my first message to you. After all, I know I haven't quieted any of your concerns. I have decided, however, that I would prefer to let you know what is happening even when there is uncertainty involved then to simply be quiet and let multiple rumors abound. I'll try to keep you informed as we work through this difficult issue.

**Homeland Security.** Although the final legislation creating the new Department of Homeland Security has not yet been enacted by the Congress, there seems little doubt that it will be passed in September. The Administration expects to stand up the new department on January 1, 2003. Therefore, the Administration has formed a transition team without waiting for passage of the legislation. The NNSA chief scientist, Maureen

McCarthy, is the Department of Energy representative on this team. One of her important responsibilities will be to help work out the details of the relationship between DOE/NNSA and the new department. Although the standing up of the Department of Homeland Security is tremendously important to the country, most of us will see little change day-to-day. The new department will establish standards and provide direction for the operational employment of our emergency response assets. Some specific research and development, now conducted under the Nonproliferation program, will move to the new department. But overall most of us will see no change. In the longer term, I think that the intention is to have the new department have equal standing with DOE/NNSA as a customer for the laboratories. That could have some implications that we have not yet fully addressed. I'm relatively relaxed about this whole process; it's good for the country, the approach preserves NNSA equity, and we have an extremely strong representative on the transition team.

**Management Council.** Well before I got here John Gordon established a Management Council consisting of the two Deputy Administrators (Defense Programs and Nonproliferation) and the two Associate Administrators (Facilities and Operations and Management and Administration), chaired by the Principal Deputy. The idea was so that the council would discuss and resolve cross-cutting issues and, where they couldn't solve them, would forward issues for discussion to the Administrator. Because I don't have a Principal Deputy, I have decided to chair the Management Council myself. Further, in order to insure as candid a process as possible, I've decided to limit attendance fairly severely. Our approach will be to reach consensus where we can and to give me pros and cons for decision where we can't. I'll try to find a way to communicate what we have and haven't decided, perhaps in these Lintgrams, perhaps through some other mechanism.

**Overall Situation.** Overall, despite the turbulence inevitable in re-engineering, I think that we are doing very well indeed. We appear to have very good credibility with the Secretary. We are increasingly working well with the rest of the Department (although there will always be some tension associated with our semi-autonomous, separately-organized status). The first true Planning, Programming, Budgeting and Evaluation (PPBE) summer programming process was widely praised as a success and, I hope, will over time let us get a better control of our out-year destiny. And of course I continue to be hugely impressed by the knowledge, competence, professionalism, and enthusiasm of all NNSA people, both Federal and contractor. I am convinced that we will get through re-engineering with as little disruption as possible and that the improvements that we are making will result in an even stronger NNSA.

That's all I have for you this week. I hope all of you were able to take a little time off during the so called "August lull." I got away for a week with my family and enjoyed it immensely. Even workaholics like time off!

More later. Have a nice Labor Day weekend.

Linton